

France's underground nuclear test explosions at these reefs produce radioactive materials that will, over time, leak into the surrounding environment. In fact, scientific studies conducted in the area around the test site have found evidence that this is already occurring. In 1987, marine researcher Jacques Cousteau examined the reefs and collected water samples. In his report, Cousteau indicated that the water samples contained concentrations of the radioactive isotope cesium-134. Cousteau also noted that reefs are the "worst possible choice" for locating a test site because of the potential for leakage of radioactive contamination.

In addition to environmental damage, French nuclear testing also severely undermines ongoing efforts to conclude a CTB outlawing all tests for all time. French testing slows the momentum toward global nuclear disarmament which was achieved at the U.N. conference permanently extending the Nuclear Non-Proliferation Treaty.

I am pleased that Congressman FALEOMAVAEGA and Congressman STARK have joined me in this effort, and I hope that France listens to the message we are sending today and stops testing immediately.

PERSONAL EXPLANATION

HON. SONNY BONO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. BONO. Mr. Speaker, on October 12, 1995, I was unavoidably delayed and missed rollcall vote No. 713, final passage of the Omnibus Civilian Science Authorization Act of 1995, H.R. 2405. If I were present, I would have voted "aye," in support of final passage.

TRIBUTE TO JOHN T. AND LORRAINE HEDRICH

HON. DAVE CAMP

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. CAMP. Mr. Speaker, I rise today to honor John T. and Lorraine Hedrich as they are recognized for their vast contribution to polka and the State of Michigan. John and Lorraine were inducted into the State of Michigan Polka Music Hall of Fame on Sunday, October 1, 1995.

America was built by the hard work and commitment of settlers who brought with them a rich and varied heritage. Polka flourished in Michigan largely due to the devotion of those who brought with them their families' traditions and customs, as well as their love of polka. John and Lorraine are two of those special individuals who are proud to keep an honored tradition alive.

John T. Hedrich of Chesaning, MI has been playing the drums since the age of 5. His wife Lorraine has been playing the accordion since she was 11 years old. John and Lorraine first met in 1962 when Lorraine played with John's Hot Shots at the Quaker Inn in Coruna. The two were married in February of 1965. In 1973 they began playing together in a two-piece band still known today as The J & L

Bluetones. Currently, John and Lorraine are members of the Saginaw Musical Association Local 57.

Mr. Speaker, thanks to John and Lorraine's efforts, we are all able to enjoy an old musical tradition from many years ago. They were honored at a reception in Owosso, MI because of their dedication and commitment to spreading the polka tradition and helping others enjoy this special music. I am confident that the musical legacy of these outstanding individuals will be remembered for decades to come.

MEDICARE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 25, 1995

Mr. HAMILTON. Mr. Speaker, I am inserting my Washington Report for Wednesday, October 18, 1995 into the CONGRESSIONAL RECORD.

WHAT'S WRONG WITH THE GINGRICH MEDICARE PLAN

Congress will consider soon proposals to reform the Medicare system. Everybody agrees that reducing the growth in Medicare spending is essential to eliminating the federal budget deficit, but there is disagreement over the level of cuts that should be made.

Is the Medicare system broke? Medicare consists of a Part A program, which pays for hospitalization of older Americans and is financed through a payroll tax of 2.9% of wages, half paid by employers and half by employees; and a voluntary Part B program, which covers doctor bills and outpatient expenses and is financed by general tax revenues and monthly premiums paid by beneficiaries.

Part B is not in danger of bankruptcy because it is financed from general revenues. The Part A trust fund, however, will not have enough money to fully cover the benefits required by law, according to the program's trustees. The Office of Management and Budget (OMB), which oversees the federal budget, and the Medicare trustees say that \$90 billion in cutbacks are needed to ensure the future solvency of Part A over the next 10 years. The Congressional Budget Office (CBO), the non-partisan budget arm of Congress, estimates that around \$150 billion in cutbacks are needed for the next 10 years, which is as far as CBO will measure it.

The trustees have issued similar findings for almost every year since 1970, and Congress and the President have always raised taxes or adjusted benefits in plenty of time to prevent bankruptcy. The real problem for Medicare is long term. Its costs are growing rapidly and soaking up a large share of the federal budget. Significant structural changes are necessary early in the next century. To illustrate, there are almost 4 workers paying taxes for each person covered by Medicare today. The ratio will fall to 2½ workers per beneficiary in 2025.

Why are costs increasing? The costs of Medicare are increasing for two basic reasons. First, the population is getting older and living longer—which means more health care problems, greater health care spending and more demands on the Medicare system as the number of beneficiaries climbs (there are presently 37 million Medicare beneficiaries). Second, health care costs are rising, driven largely by inflation and the advance of medical technology.

What is Speaker Gingrich's plan? Speaker Gingrich would cut \$270 billion from pro-

jected Medicare spending over 7 years. He would control costs by shifting beneficiaries into private plans and Medical Savings Accounts, holding down payments to doctors and hospitals, and doubling premiums paid by beneficiaries.

Does the plan cut Medicare benefits or just slow the rate of growth in spending? The answer is both. To provide the benefits required under current law, the amount the government spends for each Medicare beneficiary is projected to rise from the current level of \$4,800 to \$8,400 in 2002. Gingrich's plan would reduce the projected increase to \$6,700 per beneficiary. The increase, however, would be inadequate to keep pace with inflation and more expensive medical treatments. Consequently, Medicare will buy fewer services for each beneficiary.

Will Medical Savings Accounts (MSAs) and managed care networks save money? Gingrich's plan relies on MSAs and managed care to save money. MSAs offer retirees the option to buy with government money a catastrophic policy to cover large medical bills along with a tax-free savings account to pay routine medical bills. The MSA in his plan may include a \$10,000 deductible. This option appeals mostly to healthy retirees who expect small medical bills and therefore could expect tax-free buildup of money in the MSA. The sicker patients would remain in Medicare, driving up costs.

Gingrich's plan also seeks to generate savings by encouraging seniors to enroll in managed care networks, such as health maintenance organizations. The theory behind managed care is that networks can offer more comprehensive coverage than traditional fee-for-service plans because they are better able to hold down costs. Managed care may save money (at least in the near term), but it also entails less physician choice for beneficiaries.

Does the plan add up? CBO has indicated that Gingrich's plan falls short of the projected savings of \$270 billion. Gingrich proposes a "fail-safe" to make up for any shortfall by taking additional (but unspecified) budget-cutting steps in the future, such as further reducing payments to doctors and hospitals.

Are there alternative plans? An alternate House plan has been introduced which would make \$90 billion in cuts over seven years, the amount recommended by Medicare trustees to ensure Medicare's solvency for 10 years. The plan includes modest reductions in hospital payments, limits on physician reimbursement, tough fraud and abuse prevention, and a commission to address the long-term solvency of Medicare. There would be no increased costs to beneficiaries. A similar plan has been introduced in the Senate.

What is my view: I believe that Medicare must be cut and reformed, but changes have to be made in such a way to protect the lower income elderly and the disabled who lack the means to buy their own health care. The Gingrich plan extracts two to three times what is necessary in order to help pay for a huge tax cut, and does this too fast. We need to ease up on Medicare and find savings elsewhere.

Managed care should be an option, but we do not want to shove beneficiaries into it if they prefer to choose their own doctor. The Gingrich plan will likely make physician choice too expensive for beneficiaries, and could push doctors into managed care arrangements. We should also eliminate the "fail-safe" devices in the Speaker's plan which will bring about direct price controls.

Medicare is a vitally important program to the American people and it must be protected. The congressional leadership and the President must work together in a cooperative spirit to ensure the program continues